



Los Angeles County AUDIT COMMITTEE

Clinton Tatum, Chair
2nd District
Brence Culp, Vice Chair
3rd District
Louisa Ollague
1st District
Rick Velasquez
4th District
Angela Mazzie
5th District

AUDIT COMMITTEE MEETING MINUTES January 15, 2004

Vice Chairperson Brence Culp called the meeting to order at 1:08 p.m. in the Conference Room of Room 525 at the Kenneth Hahn Hall of Administration.

Committee Members Present
Clinton Tatum, Second District
Louisa Ollague, First District
Brence Culp, Third District
Rick Velasquez, Fourth District
Angela Mazzie, Fifth District

Others in Attendance
Angela Carter, Department of Children and Family Services
Francesca LeRue, Department of Children and Family Services
Ed Sosa, Department of Children and Family Services
Don Garcia, Executive Office, Board of Supervisors
John McKibben, Executive Office, Board of Supervisors
Patrick McMahon, Auditor-Controller
DeWitt Roberts, Auditor-Controller
Martha Littlefield, Executive Office
Ken Wales, Executive Office

Approval of Minutes

On motion of Angela Mazzie, seconded by Louisa Ollague, the Committee unanimously approved the December 18, 2003 minutes.

Old Business

Group Home Program Monitoring Report – Sandhill Group Home. There appear to be discrepancies regarding services outlined in the agency's program statement based on the Auditor-Controller's November 12, 2003 review so the Auditor-Controller scheduled a fiscal audit of this agency for January 26th. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved requesting a copy of the agency's corrective action plan and its effort to implement them from the Department by February 10, 2004 and continued this item to the February 19, 2004 meeting.**

Sunset Review for the Los Angeles Adult Day Health Care Planning Council. **This item was continued to the February 19, 2004 meeting.**

Reports to be Received and Filed

Group Home Program Monitoring Report – St. Anne's Maternity Home, St Anne's Residential Program. Review of a 102 bed facility providing care for pregnant and parenting girls' ages 11-18 years who exhibit behavioral, social and emotional difficulties verified the agency provided the services outlined in its program statement with some improvements recommended. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Group Home Program Monitoring Report – Boy's to Men, Compton and Lancaster Sites. Review of two six-bed facilities providing care for boys' ages 12-17 years who exhibit behavioral, social and emotional difficulties verified both homes provided the services outlined with a few areas noted for improvement. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

County of Los Angeles Department of Public Works Final Report of Expenditures – State Agreement No. 000527 and County – State Master Agreement No. 72401 (Alameda Project) Financial Review. The Auditor-Controller assisted the Department of Public Works in applying procedures to meet its contractual obligation to the California Department of Transportation and found nothing indicating the Department did not comply with the Alameda Project Master Agreement. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Enhanced Monitoring of the Refugee Immigrant Training and Employment Program Contractors. The Auditor-Controller provided short, mid and long term actions to prevent further frauds and will proceed with these actions. The Auditor-Controller will issue a status report in April 2004; will no longer provide the Department of Community and Senior Services with rough draft copies and will notify deputies immediately when a recommendation for termination is requested. **This item was continued to the February 19, 2004 meeting.**

Group Home Program Monitoring Report – Crittenton Services of Orange County, Spirit House. Review of an Orange County agency providing care to children ages 6-12 years who exhibit behavioral, social, and emotional difficulties verified the agency provided the services outlined in its program statement. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Status Report – Survey of County Contractors that have the Authority to Authorize County Payments (Agenda Item #2, July 29, 2003). The Board instructed all Departments Heads to identify instances in which contractors are authorized to approve the issuance of warrants and notify the Auditor-Controller within 30 days. Thirty-two reported they do not have any contractors authorized to approve County payments and seven reported having at least one contractor authorizing County payments. The Auditor-Controller is evaluating the adequacy of these payment systems in providing County oversight and the sufficiency of internal controls in ensuring contractor authorized payments' integrity. **This item was continued to the February 19, 2004 meeting.**

Reports Received

December 9, 2003 Board Meeting Agenda Item 8 – Audits of Sheriff Overtime, Department of Health Services Billing and Collections and County Public Library. Audit of the Sheriff Department's overtime management, the Department of Health Services' billing and collection process, and the County Public Library's financial information. **This item was continued to the February 19, 2004 meeting.**

Sheriff Budget Audit Final Report. A consultant reviewed the County's budget practices related to the Sheriff's Department. **This item was continued to the February 19, 2004 meeting.**

Management Information System Review. Review evaluating the Department of Mental Health's system's current and future capability to support accounts receivable management and examining its interface with the State's system disclosed various areas where improvement is needed. The Department agrees with the findings. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee approved requesting the Department report on the implementation of recommended improvements by July 15, 2004.**

2003-04/2004-05 Internal Control Certification Program. Annual County department and special district self evaluation of fiscal internal controls as required by County Code §2.10.015. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee approved receiving and filing the report.**

Huntington Senior Care Network Contract Review. Review determined the center provided the services outlined in its program statement and County contract. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Children's Home Society of California Contract Review. Review determined the organization provided the services outlined in its program statement and County contract but staffing needs to be increased to meet reimbursement rates. The organization assists parents in locating childcare services. The organization will submit a corrective action plan with a timeframe to implement the recommendations. **On motion of Louisa Ollague, seconded by Angela Mazzie, the Committee unanimously approved receiving and filing the report.**

Office of Samoan Affairs Contract Review. Review detected documentation problems and that services were provided to ineligible individuals. The agency will submit a corrective action plan within thirty days. **This item was continued to the April 15, 2004 meeting to allow for completion of the report.**

Agua Dulce Mello-Roos Audit (Community Facilities District No.6). Audit reviewed Sierra Colony Ranch residents' water system concerns. The Auditor Controller will provide the Board of Supervisors with a report within thirty days. **On motion of Louisa Ollague, seconded by Brence Culp, the Committee unanimously approved receiving and filing the report.**

Other Business

Discussion with Dr. David Sanders regarding Group Homes and Foster Family Agencies. Auditor-Controller staff discussed with Department representatives the Department's lack of timely responses to inquiries regarding corrective actions to the Auditor-Controller's recommendations provided in its review of agencies contracted by the Department. The Auditor-Controller staff provided Department representatives with a list of correspondences for which it has not received responses. **On motion of Louisa Ollague,**

seconded by Angela Mazzie, the Committee unanimously approved sending a letter to Dr. Sanders outlining the recommended course of action and continuing this item to the February 19, 2004 meeting to allow the Department time to respond to the recommendations from the 25 audits listed on the review form. The Auditor-Controller will develop a new notification procedure and instruct the Department.

Audit Committee Correspondence Requiring Response. The Auditor-Controller and Audit Committee staff will coordinate efforts to track correspondence requiring a response and if there is no response the item will be readdressed to the Committee. The Auditor-Controller will review the list to verify no responses were received and report back to the Committee.

Discussion of Board Delegated Authority Manual. John McKibben, Deputy Executive Officer, Management Services and Don Garcia, Chief, Management Services discussed the procedures of codifying the Board action delegating authority to various County entities.

Public Comment

There was none.

Matters not on the agenda to be presented and placed on the agenda of a future meeting.

The election of Committee officers will be conducted at the next meeting.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:05 p.m.